weekly economic review

February 8, 2013

Labour Market

Alberta creates more jobs than any other province in January

Alberta's labour market started the year strong, adding 9,700 jobs in January. This represents the largest monthly increase of all provinces, and Alberta's largest gain since May 2012.

The unemployment rate held steady at 4.5% in Alberta, as the labour force grew by roughly the same amount as employment. Alberta's jobless rate is now second lowest to Saskatchewan's 4.0%

Nationally, employment dipped by 21,900 in January, with losses concentrated in Ontario (-31,200) and British Columbia (-15,900).

Building Permits

Construction intentions strong in 2012

The total value of building permits jumped to the highest level in five years in 2012. Permits, an indicator of future construction activity, hit $14.6 billion in 2012, up 14.7% over 2011. Gains were recorded in both residential and non-residential permits. Edmonton saw 18% increase in 2012, while permits for Calgary stayed fairly flat at 1.8%. Alberta permits finished 2012 on a soft note, with December permits dipping 12.8% below November levels due to declines in residential and non-residential permits.

New Housing Price Index

Alberta new home prices post modest gains in 2012

New home prices in Alberta grew at a modest rate of 1.3% in 2012. Price gains in Alberta lagged the national average (2.3%), which was supported by gains in Manitoba (4.2%), Ontario (4.1%) and Saskatchewan (3.1%). Prices in Calgary increased 1.7%, while prices in Edmonton increased 0.9%. Alberta new home prices ended the year up 1.9% over December 2011, aided by a 3.1% increase in Calgary.

Housing Starts

Pull back in new home construction

Alberta new home construction dipped to the lowest level in five months in January, posting the second consecutive monthly decline. Housing starts were 29,300 (Seasonally adjusted annual rate, SAAR) last month, 2.7% below the previous month levels. However, starts were still up a strong 12.1% from a year ago.

Canada new home construction continued to trend lower, posting the fifth consecutive monthly decrease and hitting the lowest level in more than three years. National, housing starts were 160,600 SAAR, down 18.5% from December and 19.7% from a year ago.

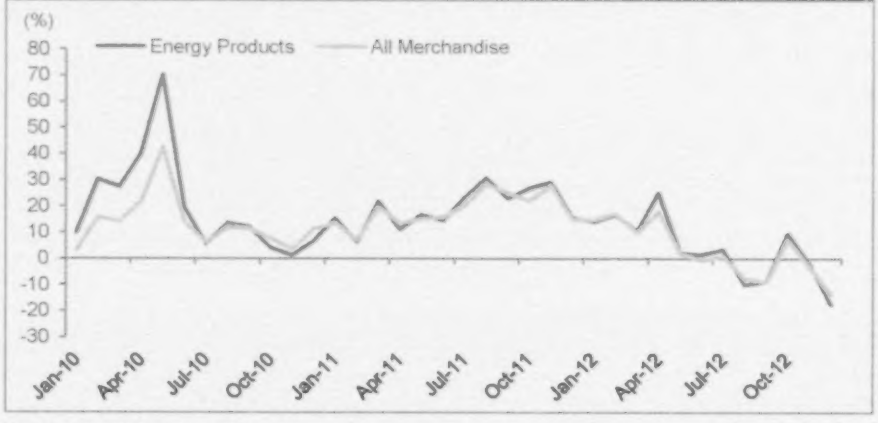
Merchandise Trade

Export growth cools in 2012

Alberta's goods exports grew 2.4% in 2012, down significantly from the 18.4% growth in 2011. The year was capped off by a sharp decline in December, with exports down 13.7% over December 2011.The decline was driven by a 17.6% drop in energy exports. For both energy exports and total exports, December saw the largest year-over-year declines since November 2009. Exports of farm, fishing and intermediate food products (+20%), were the only product category to post significant gains.

Nationally, Canada's trade deficit decreased from $1.7 billion to $0.9 billion, but only because December saw greater monthly declines in imports (-2.8%) than in exports (0.9%).

Alberta Merchandise Exports (Year-over-year Growth)



Source: Statistics Canada

Closing Prices	January 31, 2013	February 7, 2013	2012–13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	100.08	100.07	100.17
WTI Oil ($US/bbl)	$97.49	$95.83	$91.72
NYMEX Natural Gas ($US/MMBtu)	$3.34	$3.29	$2.98

Alberta Economic Indicators

Population	2011	2012YTD	2013YTD	Aug	Sep	Oct	Nov	Dec	Jan
Population[1] (000's)	3,778	3,874	..	..	..	3,907	..	..	..
y/y % change	1.5	2.5	..	..	..	2.9	..	..	..
Net Interprovincial Migration[1]	-8,443	28,170	..	..	..	13,915	..	..	..
Net International Migration[1]	16,703	37,990	..	..	..	10,809	..	..	..
Net Non-permanent Residents[1]	-7,604	9,721	..	..	..	3,946	..	..	..
Labour Market									
NEW: Employment (000's), SA	2,094	2,150	2,175	2,155	2,156	2,162	2,170	2,165	2,175
y/y % change	3.8	2.7	1.9	2.1	1.8	1.8	1.9	1.5	1.9
NEW: Unemployment Rate (%), SA	5.5	4.6	4.5	4.4	4.4	4.5	4.2	4.5	4.5
NEW: Participation Rate (%), SA	73.7	73.4	72.9	73.2	73.1	73.1	73.0	72.9	72.9
Average Weekly Earnings ($), SA	1,038.69	1,071.81	..	1088.45	1083.98	1095.42	1085.89	..	..
y/y % change	4.6	3.3	..	3.6	3.9	4.0	3.4	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	..	1.0	1.4	0.6	0.6	0.0	..
Excluding food and energy	0.8	1.3	..	1.4	1.1	1.2	0.9	1.1	..
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	4.1	..	..	3.5	..	..	..	..
Farm Product Price Index (y/y % change)	18.0	5.2	..	5.0	2.3	..	..	..	..
Crops	19.3	1.9	..	4.2	1.7	..	..	..	..
Livestock	16.7	7.8	..	5.2	3.7	..	..	..	..
Household Sector									
NEW: Housing Starts (SAAR, 000's)	25.7	33.4	29.3	29.2	33.4	33.7	39.6	30.1	29.3
y/y % change	-5.1	29.9	12.1	-5.9	34.2	-0.2	31.8	5.3	12.1
NEW: New Housing Price Index[3] (y/y % change)	0.4	1.3	..	1.6	1.8	1.6	1.7	1.9	..
Edmonton	0.9	0.9	..	0.9	1.3	0.8	0.8	1.0	..
Calgary	0.1	1.7	..	2.4	2.3	2.4	2.8	3.1	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	..	364.2	362.4	367.5	371.6	370.5	..
y/y % change	0.5	2.6	..	3.6	0.4	4.1	4.3	4.6	..
Edmonton ($ 000's)	324.2	332.7	..	335.9	322.4	332.5	347.3	343.9	..
y/y % change	-0.7	2.6	..	3.2	-3.5	1.6	4.3	4.4	..
Calgary ($ 000's)	401.9	410.8	..	411.5	409.1	423.5	418.7	434.5	..
y/y % change	1.1	2.2	..	1.6	-0.4	5.5	3.7	7.3	..
Retail Sales, SA (y/y % change)	6.9	8.1	..	8.4	8.0	5.4	4.4	..	..
New Motor Vehicle Sales (y/y % change)	9.6	11.5	..	9.0	15.7	9.1	2.6	..	..
Consumer Bankruptcies	7,029	5,413	..	454	421	489	420	..	..
y/y % change	-13.8	-17.3	..	-23.7	-19.8	-5.0	-27.2	..	..
Business Sector									
Rigs Drilling	286	250	368	223	229	236	258	287	368
y/y % change	30.4	-12.6	8.2	-30.9	-33.7	-29.6	-21.8	-16.6	-8.2
NEW: Goods Exports, customs based (y/y % change)	18.5	2.4	..	-7.6	-9.0	7.0	-3.2	-13.7	..
Energy	19.2	2.9	..	10.0	-8.9	9.4	-1.9	-17.6	..
Farm, Fishing and Intermediate Food	27.2	20.4	..	30.4	25.2	26.2	6.3	20.0	..
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0	..	..	8.8	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	18.0	6.5	..	5.0	1.2	2.0	6.5	..	..
Wholesale Trade, SA (y/y % change)	15.0	11.9	..	9.6	7.4	4.5	4.9	..	..
Building Permits, SA (y/y % change)	11.8	15.2	..	11.0	6.1	25.5	26.3	..	..
Residential	5.2	19.0	..	30.2	9.4	15.2	23.9	..	..
Non-residential	20.9	10.5	..	-10.4	1.4	42.2	29.9	..	..
Business Bankruptcies	264	214	..	10.0	21.0	18.0	15.0	..	..
y/y % change	-30.2	-13.0	..	61.5	-8.7	-40.0	-21.1	..	..

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

[1]Quarterly; annual numbers are presented on a census year basis (July 1–June 30).

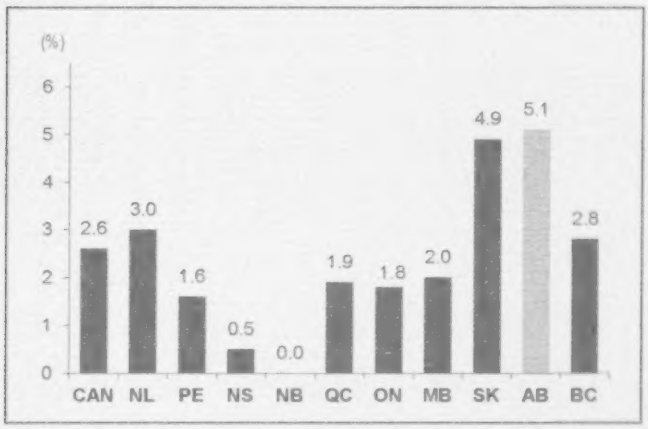
[2]Quarterly, average of Calgary and Edmonton

[3]Average of Calgary and Edmonton

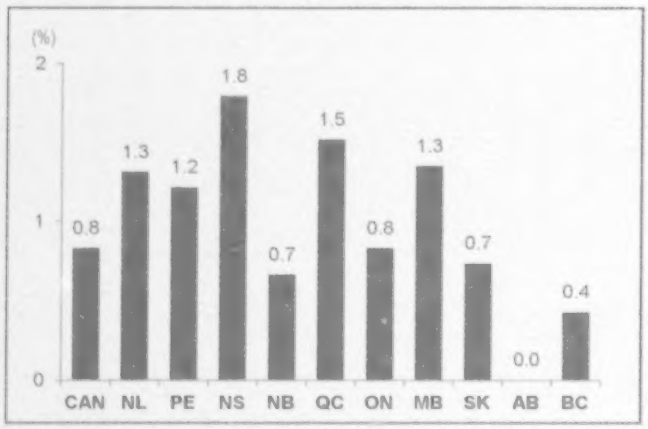
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

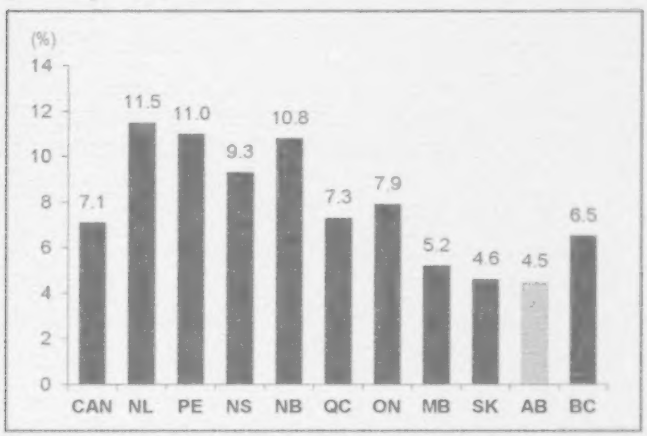
Real GDP Growth by Expenditure
(2011, year-over-year growth)



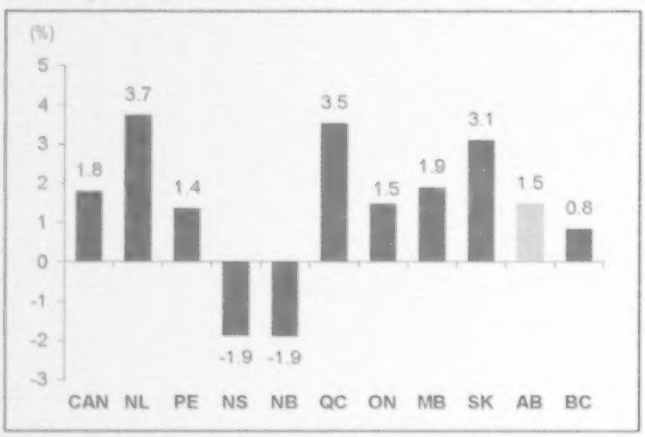
CPI Inflation
(December 2012, year-over-year growth in CPI)



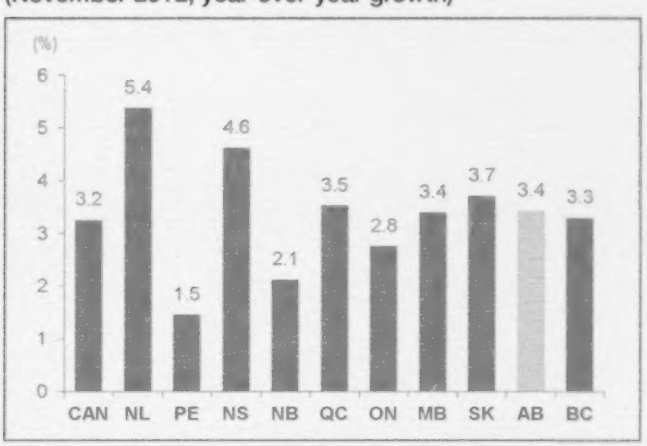
Unemployment Rate
(January 2013)



Employment
(January 2013)



Average Weekly Earnings
(November 2012, year-over-year growth)



Housing Starts
(January 2013, SAAR, year-over-year growth)